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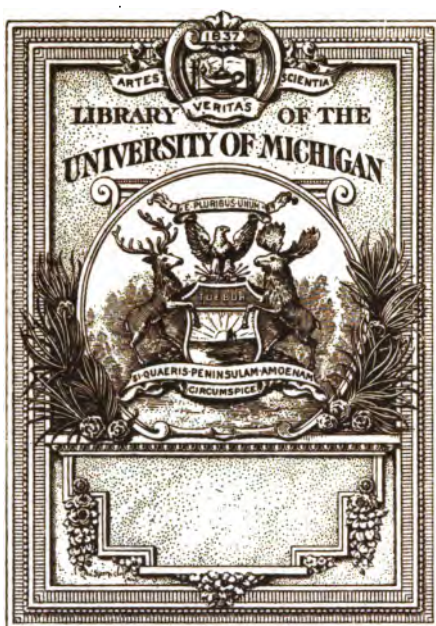
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COLOSSAL FORTUNES;
OR,
A NEW PLAN OF
PROGRESSIVE TAXATION

BY
CHARLES M. HOWELL.

Some reckon their age by years,
Some measure their life by art,
But some tell their days by the flow of their tears,
And their life by the moans of their heart.

—*Father Ryan.*

CHICAGO, ILL.
SLASON THOMPSON & Co., PRINTERS.
1888.

TO THE PRESS AND PUBLIC.

LIBERAL extracts from the contents of this pamphlet are permitted, and criticisms, both friendly and adverse, on the system advocated, are respectfully requested by the author, not only by the public press, but by all persons who take an interest in the most absorbing theme affecting the civilized world to-day. Private correspondence is solicited from all quarters of the land, and from people in every social and commercial grade in life, without regard to opinions that may be entertained or advocated on political or economic questions. Marked copies of comments by the press are requested.

Address,

CHAS. M. HOWELL,

Bessemer, Mich.

October, 1888.

53-51720
The Chicago *Daily News* of July 20, 1888, in commenting editorially on the system advocated, among other things, says:

"He (the author) would levy a tax, increasing in arithmetical progression, upon all property, and, although he especially disclaims insistence upon any matter of detail and contends solely for the principle, it is evident from the tables submitted that he has devoted much study to the practical application of his plan.

"Mr. Howell fully recognizes, for example, that the pursuit of wealth is in itself one of the powerful factors of modern civilization, and would by no means discourage, through any scheme of taxation, the acquisition of great fortunes within the limit when they become a 'menace to the stability of the commercial world, and through it to the peace and prosperity of not less than 90 per centum of the country's population.'

"The obvious result of the enforcement of the plan advocated," continues the *News*, "would be that this multi-millionaire would be cancelled from the competitive field, and, while leaving this arena thus much more open to less fortunate men, his unexhausted energies might be diverted from mere money-getting to the general amelioration of the lot of his fellow-men. . . . Mr. Howell has afforded in his article an enticing theme for discussion, and, possibly, for attempt at realization."

From the Chicago Daily News, July 21, 1888.

Chicago, Ill., July 20.

To the Editor:

Recd. 7-18-28 M.V.T.
"I ask the privilege of seconding most heartily the system of taxation of Charles M. Howell, as given in AMERICA, and commented upon in the *Daily News* of this morning. For several years I have devoted more or less study to this subject, and the result, up to date, accords entirely with the theory that the per cent of taxation should be increased in proportion to the larger ability of the tax-payer to pay. Say what you will, it is not the amount of actual individual industry that controls the measure of prosperity; in fact, the hardest toilers are as a class the least prosperous. Inherent faculties and fortuitous circumstances are largely to be credited for financial success. Therefore there would be no injustice in the graded per cent tax system.

WILLIAM DOTY.

From the Marquette (Mich.) Daily Morning Journal, August 2, 1888.

Mr. Howell is a profound student of the subject discussed by him in this treatise, and his scheme possesses some features that cannot fail to attract the attention of those who are trying to devise some means by which the burdens of taxation can be more equitably distributed. It is a fact that no intelligent person will question that those who are most favored by the system under which we "live, move, and have our being," even in this favored republic, are not the ones who pay the most for its maintenance, and the knowledge of this is one of the most prolific causes of the prevalent discontent among the toiling classes. How to remedy the defects of a system admittedly defective is a difficult problem, but for that very reason he who sheds light upon it, no matter how feeble, is doing a good work and aiding to hasten the day when a more just and equitable system of taxation will prevail.

ARTICLE AS IT APPEARED IN "AMERICA."

UNIFORM prosperity and contentment in all grades of organized society, or even exact legal and political equality between its multitudinous individual members, would constitute an utopian state of affairs for which no rational being can entertain a hope; but glaring inequalities and contrasts that would not have been predicted fifty years ago, and which portend grave social and commercial disorders in the future, ought to be regulated, it would seem, in some manner at once uniform and practical in its application and just in its effects.

Colossal—not simply moderate nor even large, but colossal individual wealth, "aided and abetted" by inequitable tax laws, that often become infamously unjust in their practical application, are, in my estimation, the two chief causes of the growing and widespread discontent of the masses, and of "the persistence of poverty amid advancing wealth."

That large, respectable, and indispensable portion of organized society who may be properly termed the moderately wealthy—the wealth of whose individual members we will say ranges in valuation from a few thousand up to four or five million dollars—are really as much interested, if not more deeply concerned, in the finding of a remedy for the chronic ailments of our social organism than are a large majority of the very poor, who, while they have few or no property interests at stake, are made directly sensible of these abnormal conditions through the bitter stings of want, and who, consequently, have little or nothing to lose, and, possibly, much to gain, by almost any change from the existing order of things. The vicious effect of these conditions, which bear so hard upon the masses, is to beget in the minds of those who suffer from them a disrespect for, and at times an open defiance of, all law and authority.

Many remedies have been suggested for the abnormal conditions of affairs thus apparent to all, and undoubtedly the application of some one or more of them will be attempted sooner or later. I shall not undertake to discuss any of them, but I have a remedy, or plan, to suggest, the principle of which, it seems to me, ought to find favor not only with every one of the millions of my countrymen who are poor, but with all humanitarians and philanthropists, without regard to the extent of

their individual wealth, and with all others, even if they consider only their own selfish interests, whose unencumbered possessions do not extend too far up into the millions. The writer is not of that number who would deny to energy, industry, skill, genius, and thrift, or to any of the grander intellectual gifts or noble elements of human character, the most liberal provision and widest scope, consistent with justice to the individual components and the common good of society, for the attainment of ample reward, or even princely recompense, for their labor and achievements. Society cannot afford to deprive its individual members of that incentive to patient, laborious, and studious application to the accomplishment of results which go to instruct, benefit, and elevate mankind, which has its source in the hope or belief that such results, once attained, will secure for their producers ample reward for whatever of time and manual or mental labor they may have expended upon them. But while society should bestow even princely recompense upon its *real* benefactors, it should, on the principle of self-protection, set a limit to the acquirement of wealth by individual members. What moral right has A to two hundred and fifty millions of wealth—the concentrated, inaccessible, monopolized product of the producing classes, whose numbers and wants, despite all efforts they are able to make, are growing rapidly and at a constantly increasing ratio? What moral right has B to even a quarter of that amount? In short, what moral right has any one individual in this enlightened age, and especially in this land of the free (?), to wealth of such colossal proportions that he is a constant menace to the stability of the commercial world, and, through it, to the prosperity and peace of not less than 90 per centum of the country's population. Possessing the means, and too often the desire, to corrupt both law-makers and judges—an enemy to society, a very Napoleon of finance, creating consternation wherever he appears at the head of his forces—what *moral right*, I say, has any one human being to such enormous wealth—wealth which is power—millions that command and control other millions, and by the cunning and unscrupulous use of which he can unsettle the industrial affairs of a great people, impoverish thousands of well-to-do citizens, and place the very government itself at his mercy?

There is but one answer. No individual member of society has a moral right to such wealth—such power. A legal right, it appears, one may have, but that fact simply serves to prove that the laws are wrong. A legal right which is not consonant with moral right is a wrong, and, if enforced, it becomes a crime against humanity. I lay it down as one of the immutable principles which have existed from the beginning of organized society, that any law-created right not in perfect harmony with moral right is a wrong, and embodies a potentiality for crime.

It is not claimed that the remedy I advocate is a panacea for all the

growing social evils in this country, but I firmly believe it will tend to the universal betterment of the condition of a vast majority of the inhabitants of the United States if it is intelligently and effectively applied. It is not, to any great extent, dependent for its efficacy upon the fact of whether or not "protection" or "free trade" prevails, for, let either of these systems be in vogue, and the unequal distribution of wealth will continue—the few getting all but what is absolutely necessary for the bare subsistence of the many—unless taxation is more justly distributed, and the concentration of wealth in the hands of single individuals is limited to an amount below which it does not become, in the hands of its possessor, a weapon against society.

The objects, then, to be accomplished are :

1. To limit the concentration of wealth so as to prevent the acquisition and retention of colossal individual fortunes; my idea being that the maximum should not exceed \$10,000,000—it should be lower rather than higher.

2. To compel the very wealthy classes, whose advantages and benefits derived from government, or organized society, are vastly greater than those enjoyed by the poorer classes, to pay, relatively, a greater proportion than the latter of the taxes, necessary for the support of the government to which the former are wholly indebted for the safe preservation of their vast property rights and the privilege of living in luxurious ease.

The wealthy classes, as the expression is used in this connection, may be said to consist of two subdivisions, namely: the reasonably and justifiably rich—a class without which no nation or people can prosper in the highest degree, and the constituents of which, both individually and collectively, should be respected by all good citizens, and their natural and legal rights jealously guarded and preserved by government—a class against which no complaint is uttered in this article, and which has its highest typification in the great farming portion of our population.

The other subdivision of the wealthy classes is that of the colossally rich, against whose overgrown wealth and dangerous power, in the very nature of things chiefly acquired by unscrupolous methods, the franchise of a free people, unless they choose passively to be free in name only, should be exerted with the least possible delay, and in a manner that will secure national and state legislation which will make their future existence forever an impossibility in this country; a class, the encroachments of which are not only oppressive to the poorer classes, but the continued existence and growth of which constitutes a perpetual and increasing check upon the prosperity and a constant menace to the rights of that portion of the wealthy classes—who really make up the bulk of the great middle class—whom I have designated as the reasonably and justifiably rich.

By individual wealth is meant, of course, the total wealth of the individual member of the community—the natural person—as distinguished from that of corporate organizations, in law termed artificial persons, but in computing individual wealth, as considered in this connection, all property, both personal and real, except such as may be exempt by law from taxation, and whether under personal or corporate control, must be taken into account. "Colossal individual fortunes of wealth," therefore, is such wealth as is possessed only by those members of society embraced in the second or smaller subdivision of the wealthy classes, as previously defined—the ultra-millionaire, the ultra-wealthy class.

To reduce this problem to a single formula, we have all of the poorer classes and the first subdivision of the wealthy classes—the total constituting the great middle classes—directly and with a common interest seeking a remedy for certain public evils, in the nature of colossal individual wealth or fortunes and unjust tax laws, of which they are the victims. If all courts and legislative bodies were incorruptible, and all millionaires were philanthropists, or even honest—in other words, if all law makers were patriots, all judges Greshams, and all millionaires Peter Coopers, the evils complained of could not exist.

The necessity for organized society to place a just and reasonable limit upon the acquirement and retention of wealth by each of its individual members, it seems to me, is so evident that all but the great millionaires, and even the occasional humanitarian to be found among them, will concede it without argument or any array of facts. Not to admit the necessity, one must ignore the lessons taught by the ages, and to be learned from the present old-world wretchedness and degradation of the masses and the rapidly increasing poverty and justifiable discontent of the middle classes of the United States. However, it is not merely the existence of colossal individual wealth which is pernicious in its effects upon society. In truth, the most obnoxious, far-reaching, and baleful effect arises from the fact that the ultra-rich are rapidly gaining absolute control—monopolizing—all sources of wealth, rendering it useless for the vast majority of human beings, whose circumstances effectually bar them out of the magic circle, to strive for anything more than bare subsistence, or even to hope for anything better than lives of hardship and drudgery, no matter to what dimensions may grow the future aggregate wealth of the Nation, or race, to which they belong. This is a vital fact which too many fail to recognize—an evil which must be remedied, or such a thing as liberty and legal equality never again will be known on the face of the earth.

The first and only practical thing to be done, therefore, towards remedying this evil, in my opinion, is to set a limit to the acquirement and retention of individual wealth, and by adopting, in addition to, or

by supplanting our present tax laws, a new principle of taxation which will compel the ultra-millionaire class to pay a more nearly just and equitable proportion of the taxes than they do under the present system of taxation. This dual result can be accomplished in this country by introducing the principle of uniform taxation by arithmetical progression into the organic or supreme law of the land.

To set a limit to the acquirement and retention of individual wealth, as a matter of course, will be denounced as arbitrary and unjust—a violation of vested rights—by the ultra-millionaire class, whose colossal wealth may be diminished, and also, no doubt, by that small fragment of the population to whom a new idea or an innovation of any kind is a shock or an irritating annoyance. But I maintain that the natural and moral rights of 90 per centum of the population of the United States are paramount to the so-called vested rights of the other 10 per centum, whose natural rights are also to be respected and preserved; that society, in justice to itself collectively and to its individual members, cannot afford to permit any one person to acquire and retain wealth above a limit beyond which it is impossible to go except by frauds and oppressive impositions upon the great masses. No law or principle is unjust the enforcement of which contributes to the common good of mankind and the elevation of society. Let it be understood, therefore, that the welfare and prosperity of a free people are threatened and impaired by colossal individual wealth, and it not only becomes at once their right, but their duty, to set the limit where they, in their wisdom, believe that the highest good of the community will be subserved. There is no more injustice in enacting and enforcing such a law than there is in punishing crime, the simple test of justice being whether or not the common good will be advanced.

It is a shameful fact, known to all who have given the subject any attention, that the ultra-wealthy class do not pay a just proportion of the taxes, escaping them by gross undervaluations and by being permitted to hold interest-bearing, non-taxable government bonds in blocks of millions; one of the late colossal dollar princes of this country at one time holding them—if his heirs do not now possess them—to an amount exceeding \$50,000,000, whereas the maximum should not exceed \$1,000,000. And this infamous discrimination against the great middle classes, and especially against the small possessions of the industrial classes, prevails throughout the length and breadth of our republic as it does under the old-world aristocracies. The small possessions of the poorer classes, and the lands of the farmer, almost without exception, are assessed at their cash value, or at from 40 to 60 per centum, and frequently at a greater per cent above those of their very rich fellow-citizens.

Consequently, I maintain that the people—the vast majority—who

are thus being outrageously imposed upon by the colossally rich under sanction of law, must, if they are true to themselves and to their posterity, seek to remedy these evils as best they may, and to do this they have simply to use intelligently and honestly the elective franchise. The only practical or effective means, as I believe, is to limit individual fortunes and reverse the present order of things relative to taxation by compelling large wealth to bear its just proportion of the taxes.

A uniform law or tax system to accomplish the results to be desired can be secured by the adoption of an amendment to the Constitution of the United States, making taxation by arithmetical progression a part of the supreme law of the land. The embodiment of such a principle in the Federal Constitution will not be unjust, for the reason that it will affect every individual citizen of the republic, as well as all alien and non-resident property owners, with precise equality with every other citizen and tax-payer. That abuses will not grow up under such a system is not claimed; but it would largely do away with many of the grossest impositions practiced under all existing systems.

Taxation by arithmetical progression also will accomplish the other great object to be attained, for it necessarily follows that the operation of the same law or principle which levies a tax at a rate which increases by arithmetical progression, no matter how small the rate may be at the outstart, will sooner or later reach 100 per centum, and, as one might say, automatically set a limit to the amount of wealth possible to be possessed by any one individual. Thus a low rate to begin with, on a given amount of moderate size, will accomplish what is desired, namely: the limitation of individual wealth, so as to prevent the acquirement and retention of colossal fortunes; and a transfer of the chief burden of taxation from the middle classes to the very wealthy classes.

The operation of the principle of arithmetical progression in taxation will be very simple, and consequently easily understood and practiced; and, so far as its enforcement is concerned, there is no objection that can be urged against this principle which cannot be urged, with like force, against all present methods.

Arithmetical progression is merely a progression in which the terms increase or decrease by equal ratios, as the numbers 2, 4, 6, 8, 10, etc., or as 10, 8, 6, 4, 2, by the difference of 2; or to use the decimal fraction .00025 as the ratio of increase, then as the fractional numbers .00025, .0005, .00075, .001, .00125, .0015, .00175, .002, etc. Taking any rate per centum as a rate of taxation to begin with, under this principle a certain amount must be determined on also as a basis of taxation. This sum must then become the common divisor of the total taxable wealth of each individual tax-payer whose property is assessable under the Constitution of the United States. It must be borne in mind that it is the amount represented by this common divisor, no matter what the amount

may be, on which the tax to be paid is based. The increase of tax results wholly from the increase of the rate of taxation, which is increased, by arithmetical progression, just as many times as the common divisor is contained in the total amount of individual wealth to be taxed, until the maximum limit of 100 per centum is reached. To illustrate, suppose .00025 per cent—equal to 25-100 of .001, or 1-4000 of 100 per centum—is determined on as the rate to begin with, and, of course, the ratio of increase. It follows that when this rate has been increased 4,000 times it reaches 100 per centum. Next, select the amount to be taxed and to be used as the common divisor, as above explained, and when the rate above named is used the sum that is chosen as the basis of taxation will be absorbed, as a matter of course, when the rate has been increased 4,000 times, notwithstanding the tax, until it reaches quite an advanced stage in the process of arithmetical progression, is very light. It also is true that the smaller the amount is which is chosen as the basis of taxation the smaller will be the amount of wealth, or property, possible to be retained by the individual owner, consequently it is desirable not to get the common divisor too small. For instance, if you make \$100 the basis of taxation, and .00025 per cent the rate, the latter will have increased to 100 per cent when the property taxed amounts only to \$400,000; if \$1,000 is used as the common divisor and basis of taxation, the last \$1,000 in a total of \$4,000,000 will be absorbed by the rate per cent of taxation; at \$5,000 the maximum limit will be arrived at on the last \$5,000 in \$20,000,000; with \$10,000 as the basis, the 100 per cent limit would be reached on the last \$10,000 in \$40,000,000, and so forth.

Attention is especially directed to the fact that under this system, beginning with a rate as low as .00025 per cent, and the basis of taxation fixed at \$5,000—the rate and amount which probably will impress the majority as being conservative and equitable—the individual tax-payer will have to be quite wealthy before the rate per centum and total tax reach large figures. In other words, this principle will operate, even when regarded from the standpoint of taxation, to say nothing of the protection it will afford against the impositions of the colossally rich, to the unqualified benefit, not only of the poorer classes of tax-payers, but to the manifest good and advantage of those whose actual unincumbered wealth does not exceed many hundred thousands of dollars. Regarded as an effective method of setting a limit to colossal fortunes, it becomes a positive safeguard to society, through its beneficent influence upon the business and commercial interests of the country—a safeguard which a free people should have not the slightest hesitancy in providing.

That the practical operation of this principle in taxation may be readily understood, a condensed table accompanies this article, which illustrates the principle advocated, by showing the rate per centum on each \$5,000, beginning with .00025 per cent; the amount of tax on each

consecutive \$5,000, and the total tax upon any amount of wealth, covered by the table, up to the maximum limit which could be held by any one individual property owner. By reference to the table mentioned it will be observed that the limit is reached at \$20,000,000, the last \$5,000 of which is absorbed by the rate of taxation, and beyond from one-quarter to one-half of which amount, I maintain, no individual member of community should be permitted to pile up the concentrated products of others. The operation of this principle, as applied in the table, virtually sets the limit at a far less amount than \$20,000,000, for but few of the "dollar princes" will care to cling to the remnant of their millions after the rate of taxation reaches a stage where it becomes practically confiscatory. They will as a rule transfer it absolutely—nothing but bona fide and absolute transfers being allowable—to others, or turn benefactors to the human race, instead of remaining as now, in most instances, heartless and insufferable vampires upon society. Aside from these considerations, I maintain that the human being—or the alleged human being—who has not soul enough in him to become a benefactor to mankind after having accumulated several million dollars, should be compelled by law to turn benefactor to the government and people to whom he is chiefly indebted for his prosperity, the permanent security of his vast property rights, and the preservation of his domestic welfare. Hence, my advocacy of the adoption of arithmetical progression as a principle of taxation throughout the United States, and, if it were possible, everywhere in the wide world where organized society exists.

As has been heretofore intimated, the only way in which the principle of taxation by arithmetical progression can be incorporated into the laws of the United States is by amendment to the Federal Constitution; but if it were possible for any one or more of the states, acting separately and independently, to adopt such a law, it would not be desirable. To be salutary and practical in its operation, the principle must be applied uniformly throughout all the territory where the Constitution of the United States is the supreme law.

The adoption of the necessary amendment requires merely unity of purpose and action on the part of that vast majority of the voters of this country who would be immeasurably benefited by such a law.

An amendment might be, and probably would be, most desirable which would simply impose the duty and confer the necessarily additional power upon Congress to enable it to make every provision requisite to put this principle in operation and to maintain it permanently. This, however, is a matter of detail, to be considered and settled by those who are wiser and more experienced in state affairs than the writer. In fact, I wish it distinctly understood that my insistence is for the principle, and not for any particular matter of detail which is used or suggested in this article or in the accompanying table:

Rate and Ratio of Increase.	Consec. Nos. of Common Divisor.	Common Divisor or Sum on which Tax is Based.	Total Amount of Property Taxed.	Tax on Each \$5,000.	Total Tax.
.00025	1st	\$5,000	\$ 5,000	\$1.25	\$1.25
.0005	2d	5,000	10,000	2.50	3.75
.00075	3d	5,000	15,000	3.75	7.50
.001	4th	5,000	20,000	5.00	12.50
.00125	5th	5,000	25,000	6.25	18.75
.0015	6th	5,000	30,000	7.50	26.25
.00175	7th	5,000	35,000	8.75	35.00
.002	8th	5,000	40,000	10.00	45.00
.00225	9th	5,000	45,000	11.25	56.25
.0025	10th	5,000	50,000	12.50	68.75
.00275	11th	5,000	55,000	13.75	82.50
.003	12th	5,000	60,000	15.00	97.50
.00325	13th	5,000	65,000	16.25	113.25
.0035	14th	5,000	70,000	17.50	131.75
.00375	15th	5,000	75,000	18.75	150.00
.004	16th	5,000	80,000	20.00	170.00
.00425	17th	5,000	85,000	21.25	191.25
.0045	18th	5,000	90,000	22.50	213.75
.00475	19th	5,000	95,000	23.75	237.50
.005	20th	5,000	100,000	25.00	262.50

FROM \$105,000 TO \$200,000.

.00525	21st	\$5,000	\$105,000	\$26.25	\$288.75
.0055	22d	5,000	110,000	27.50	316.25
.00575	23d	5,000	115,000	28.75	345.00
.006	24th	5,000	120,000	30.00	375.00
.00625	25th	5,000	125,000	31.25	406.25
.0065	26th	5,000	130,000	32.50	438.75
.00675	27th	5,000	135,000	33.75	472.50
.007	28th	5,000	140,000	35.00	507.50
.00725	29th	5,000	145,000	36.25	543.75
.0075	30th	5,000	150,000	37.50	581.25
.00775	31st	5,000	155,000	38.75	620.00
.008	32d	5,000	160,000	40.00	660.00
.00825	33d	5,000	165,000	41.25	701.25
.0085	34th	5,000	170,000	42.50	743.75
.00875	35th	5,000	175,000	43.75	787.50
.009	36th	5,000	180,000	45.00	832.50
.00925	37th	5,000	185,000	46.25	878.75
.0095	38th	5,000	190,000	47.50	926.25
.00975	39th	5,000	195,000	48.75	975.00
.01	40th	5,000	200,000	50.00	1,025.00

FROM \$225,000 TO \$20,000,000.

.01125	45th	\$5,000	\$225,000	\$56.25	\$1,293.75
.0125	50th	5,000	250,000	62.50	1,592.75
.01375	55th	5,000	275,000	68.75	1,925.00
.015	60th	5,000	300,000	75.00	2,287.50
.0175	70th	5,000	350,000	87.50	3,106.25
.02	80th	5,000	400,000	100.00	4,050.00
.0225	90th	5,000	450,000	112.50	5,118.75
.025	100th	5,000	500,000	125.00	6,312.50
.0375	150th	5,000	750,000	187.50	14,156.25
.05	200th	5,000	1,000,000	250.00	25,125.00
.075	300th	5,000	1,500,000	375.00	56,537.00
.10	400th	5,000	2,000,000	500.00	100,350.00
.15	600th	5,000	3,000,000	750.00	225,475.00
.20	800th	5,000	4,000,000	1,000.00	400,600.00
.25	1000th	5,000	5,000,000	1,250.00	625,725.00
.50	2000th	5,000	10,000,000	2,500.00	2,501,350.00
.75	3000th	5,000	15,000,000	3,750.00	5,626,975.00
1.00	4000th	5,000	20,000,000	5,000.00	10,002,600.00

SUGGESTIONS AND COMMENTS.

A RIGHTEOUS principle once understood by the masses of the United States never thereafter goes begging for friends.

It is putting the estimate low to say that 90 per centum of the population of this country would be benefited by the adoption of a uniform system of taxation by arithmetical progression.

If this principle is right, no anxiety need be felt regarding the ability of American statesmen to devise simple and practical methods for applying and enforcing it.

As a commercial or business people, we are fast becoming a nation composed of a few monstrous colossi and a multitude of pygmies, and the relative difference is daily growing more noticeable, more distressing, more humiliating, and more belittling to the great masses--the middle classes.

The dominant political party of the not remote future, be that party's name Republican, Democrat, or what it may, will be the one which adopts and champions some practical method of relieving the small property-owning masses and wage-workers of the heavy burdens of taxation which press upon them in one way and another, and also of clearing the competitive field--where the profits of commerce and trade are the prizes--of the commercial monstrosities who now dominate the world of traffic.

"Trusts," the creation or maintenance of which should be made a crime, will thrive under any government where the sources of wealth are numerous and commercial activity is great, without regard to the existence of the system of "protection" or "free-trade." Free-trade England, whose high-tariff system was abandoned but half a century ago, is now, and for ages has been, cursed by trusts, though they may not be labeled with the modern American name:

"A rose by any other name would smell as sweet;"

A trust by any other name is just as rank.

It is a solemn truth, which the many are beginning to realize, that no business man, corporation, or industry in the United States, under existing laws, and backed only by ordinary resources, has any maintainable right to be prosperous, if the great money-bosses of the country see fit to object, and set about it in earnest to make their objections felt.

The unit of taxation, under a system of taxation by arithmetical progression, in the opinion of the writer, should not be less than \$10,000, if the rate to begin with is fixed at .00025 per centum. The table in this pamphlet is on the basis of \$5,000 as the unit, but great care should be taken to fix these important factors in the problem at fair and equitable figures. No scheme can meet with popular approval, or be right and just, which tends to impair the usefulness of reasonably large fortunes, or discourage the investment of private capital within safe and conservative limits. The only serious questions, to my mind, in regard to the application of the principle advocated, are those in relation to the fixing of the unit and rate of taxation.

It is asserted, and, no doubt, truly, that the Rothschilds have the peace of Europe in their hands, and it can be said with equal truth that there a few money kings, and, by reason of their wealth, political bosses, in this country, who have the welfare and prosperity of the entire population of the United States within their control. The reign of the mammon colossi under the European aristocracies is not very astonishing, but their usurpation of the rights and powers of sovereignty in this land of the free (?) is amazing—not that they should be guilty of such usurpation, but that a great people, with a free ballot, should suffer the imposition to be practiced.

One of the immediate and most beneficial results that would be derived from the adoption of uniform taxation by arithmetical progression, would be the practical solution of the problem relative to the private ownership of immense tracts of land. Under such a uniform law even corporations would find it impractical to hold such vast tracts as they do now, if for no other reason than that the money colossuses who chiefly compose the corporations will be largely shorn of the monstrous wealth and political influence which enables them to secure and retain such vast landed estates, holding them, as they do now, for speculative purposes, when they should still be part of the public domain and open to settlement.

The impoverishment of scores, hundreds, and even thousands of families is nothing in the opinion of the money colossuses of the country when it is to their interest to raise or lower mining or railroad stocks or the price of wheat or any other commodity a point or two. Their incomprehensible millions of wealth are the product of widespread ruin and domestic grief, but the laws of the land tolerate their methods and the world applauds their brutal successes. Organized society, as the laws governing taxation and the distribution of wealth now stand and are administered, exists for the special benefit and to further the ends of these colossean money kings. A simple and effective remedy is uniform taxation by arithmetical progression.

The term "middle classes," as used in reference to the denizens of

the old-world aristocracies, is scarcely applicable to the inhabitants of the United States, but the abnormal growth of wealth and—by means of the corrupting influence of colossal riches—political power of the few on the one hand, and the presence of a growing class of vicious and criminal poor on the other side, to neither of which disturbing and obnoxious elements of society the great masses of this country yet belong, renders the use of the phrase "middle classes" not only proper, but necessary now in the discussion of politico-economic subjects. The aim of all good government should be, and of all wise government will be, to preserve unimpaired the rights and material interests of the "middle classes." In order to do this, however, it is just as essential to restrain the unnatural growth of the individual money colossi as it is to uplift the ignorant and degraded poor and punish or restrain the criminal classes.

Not only the justice, but the necessity of making it impossible for the money colossuses of the country to get into their possession interest-bearing, untaxed government bonds in almost unlimited amounts, certainly must be apparent to all. The spectacle of one citizen of this Republic holding, at one time, over \$50,000,000 worth of these interest-bearing, non-taxable securities, should be sufficient of itself to inspire prompt action, on the part of the public, to prevent a continuance or a recurrence of such an imposition upon the people. As a matter of public policy, there is no doubt of the justice and practicability of the national government possessing authority to issue interest-bearing, non-taxable bonds in certain emergencies, but a limit should be set beyond which no one individual citizen should be allowed to hold them free of taxation. And, putting the limit at \$1,000,000, with the principle of uniform taxation by arithmetical progression in force, there need be no fear of there ever being any lack of even a home demand for all such bonds that the United States has now outstanding or may hereafter issue.

We would not deprive the Goulds and Vanderbilts of their ill-gotten millions, but we would make it impossible for them to add millions to them, or for any one else to accumulate like sums.—*Cheboygan (Mich.) Democrat*. Why not, if ill-gotten? Why leave any man in possession of property not really and honestly his? We can think of but one reason (if that is a reason), namely, the impracticability of restoring it to the true owner. That might be gotten over by putting it in the national treasury in the place of the defrauded millions. There is no sacredness attaching to wealth gained by watering stocks—both the men named, and others who might be named, might lose their entire railway properties without being deprived of a dollar which is honestly theirs. The United States has paid for thousands of miles of railway which they control and the United States ought to own.—*Escanaba (Mich.) Iron Port*.

Taxation by arithmetical progression, leaving the colossean nabobs, of whom the two above-named worthies are representatives, the privilege of conferring their surplus possessions on whom they please, will fully protect them in all the wealth either they or their ancestors ever honestly acquired. Aside from this fact, society has a natural and moral right not only to protect itself from the oppressions of the unscrupulously powerful, by depriving them of their means of oppression, but to punish them for any and all frauds, impositions, and outrages committed in violation of law. No compunction of conscience need be felt by the masses in dealing with these voracious money cormorants, who fatten by preying on the misfortunes and necessities of all who unfortunately become their victims.

Referring to a recent able discussion of the industrial question, by Stephen B. Elkins, before the Missouri State University, the *Detroit Evening Journal* says that "his picture of the present situation is more than commonly noteworthy, inasmuch as it is painted by the hand of a man who cannot be thought to be inclined to exaggerate the destitution of labor. He says: 'In this land of plenty there is in places the beginning of want; 350,000 workers are without employment, upon whose labor more than a million women and children depend for food, shelter, and clothing. How many are working on half-time, fighting hunger, and in this way supporting their own existence and the existence of those depending upon them, cannot be estimated. This great army of workers stands and waits in vain for the opportunity to earn by honest toil the necessities of life. Many who have employment are forced by competition to accept a rate of wages that yields a bare subsistence. The gap that divides the rich and the poor grows wider and deeper daily, with unmistakable signs in the larger towns of a tendency to classes. In the cities workers are forced into packed and crowded tenement houses, where foul air breeds disease and certain death. The tenement population of New York City, amounting to five hundred thousand, lives in twenty thousand houses. Here is a population nearly as large as that of Chicago, and larger than that of St. Louis, Boston, or Cincinnati. In the Tenth ward there are about one thousand tenement houses. In two hundred of them from fifteen to twenty families live in each. In the Eleventh ward the population is 68,797—29,043 native and 29,754 foreign-born—the most thickly populated district in the world.'"

And this condition of affairs already exists under the benign institutions of one of the world's youngest and its greatest republic, whose emblem of liberty and equality of opportunities and advantages floats over a land the population of which is only fourteen to the square mile. What an inconsistency—what a travesty on justice and freedom! And to this terrible irony of fate the more brutal irony of the unfeeling is too often added, telling the wretched denizens of the great wealth centres

to "go West" and become independent husbandmen—a thing they are as effectually barred from doing as they are from entering and abiding in the palaces of the colossally rich that they daily pass in their hopeless search for the means of honestly earning an honorable and decent subsistence. This blot upon America's civilization and boasted freedom cannot be wholly wiped out by any one law, but much will be accomplished toward its complete eradication when colossal individual wealth is shorn of its vast power, so unscrupulously used to oppress the masses and destroy confidence in the business circles of the great middle classes. Commenting editorially on the facts set forth by Mr. Elkins, the *Journal* forcibly remarks: "If a great part of this large surplus population can be turned into farmers all labor would experience immediate relief. But the United States has of late years magnified and yielded so much to the interests of capital that it has done comparatively nothing to divert this surplus population away from the cities and to the public domain. On the contrary, the government has not even taken the precaution to preserve the public domain for such a surplus population. It has permitted corporations to steal from the people one hundred million acres, a tract equal in area to the united areas of New York State, Maine, Maryland, Vermont, New Hampshire, Massachusetts, New Jersey, Connecticut, Delaware, Rhode Island, and the District of Columbia. The land that remains open to settlers by homestead and preëmption laws has been practically inaccessible. Owing to the indemnity clauses inserted in the original land grants, and the practice of railroads of encouraging the occupancy of poor sections of land by fraudulent settlers, would-be homesteaders are not able to get locations nearer than twenty miles to the land-grant lines. They can purchase land of the roads, but the classes whom Mr. Elkins describes have not the money to buy food, let alone land.

"When the United States Government rectifies such abuses as that referred to; when it recovers land unjustifiably held by capitalists and corporations; when alien land-owners are completely shut out from getting any part of the public domain; when foreign immigration is limited so that our own poor people shall have a better chance; and when the government offers substantial encouragement and aid to the poverty-stricken classes of large cities to become pioneer farmers, there will be some hope that present destitution and surplus labor in large cities may become things of the past, and that employers will be forced by the more equitable distribution of wageworkers to make the concessions which Mr. Elkins advocates."

All that the *Journal* says is true, and one of the first things that the masses of this country must do toward eradicating the evils complained of is to despoil of their abnormal power those money colossuses of the land who are chiefly responsible for the glaring and outrageous

injustices, and who will continue to inflict them upon the people so long as they are tolerated. It is folly to appeal to any feeling of benevolence, to any sense of justice, to any consideration of the natural and moral rights of human beings, possessed by these monstrous social and industrial leeches. As a class, nothing of the kind is known to their natures. They are simply men of business—practical men—they belong to a practical age; a preëminently practical class—altogether too practical to be honest, honorable, just, or humane, when to be otherwise will best subserve their practical designs and schemes. The only manner in which these practical money colossi can be reached is by a uniform, practical law, so rigidly enforced that it will become exceedingly impractical for them to undertake to evade its provisions. The adoption of a constitutional amendment, making uniform taxation by arithmetical progression part of the organic law of the land, and setting the limit of individual wealth at an amount which will render it powerless to oppress the people or produce periodical business depressions, will be at once the grandest and most practical thing ever done in the history of the world toward affording the relief so imperatively demanded.

Corporations are essential to the development and growth of a great country like the United States, but their monstrous greed for wealth and power must be controlled or the sovereignty of the people can never be reëstablished. The *Detroit Evening Journal* truly says that "the encroachments of monopolies and monopolists have been treated with some degree of indifference. Protests against them have been feeble—never efficacious—because the agencies through which they were made were controlled by the corporations themselves. From the National Congress to the municipal council corporate power has held unwavering and incontestable sway—and the people have submitted. Neither statesmen nor politicians have been found to resist the imperious dictation of moneyed oligarchies. Monopolists commanded and they cringingly have bowed the knee. Over thirteen years ago the late Wendell Phillips, in an argument against the encroachments of monopoly, pointed out that 'the only hope of any effectual grapple with incorporated wealth is by rousing the actual masses, whose interests permanently lie in an opposite direction.' It is only when they shall have been aroused that the republic will be placed in a position to protect itself against the fatal rapacity of these corporate vultures. It is within the power of the "actual masses" not only to defy, but to restrain these monopolists by placing the National and State Governments in the hands of men whose purposes and convictions are on the side of the people beyond the shadow of turning, as against the side of the oligarchy of monopolistic, voracious wealth." It surely is within the power of the masses, as the *Journal* asserts, not only to defy but to restrain these public oppressors, but, in order to use this power effectively, the masses must act in har-